



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

File

OCT 18 2001

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Alan Staller, Treasurer  
Gormley for Senate Primary Election Fund  
Levine, Staller, Sklar, Chan, Brodsky & Donnelly, P A.  
3030 Atlantic Avenue  
Atlantic City, NJ 08401-6380

RE: MUR 5020

Dear Mr. Staller:

On June 5, 2000, the Federal Election Commission notified the Gormley for Senate Primary Election Fund and you, as treasurer, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). Subsequently, a copy of the complaint was forwarded to you.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on October 3, 2001, found that there is reason to believe that the Gormley for Senate Primary Election Fund and you, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), and 441b, provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Allan Staller, Treasurer  
MUR 5020  
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You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 30 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

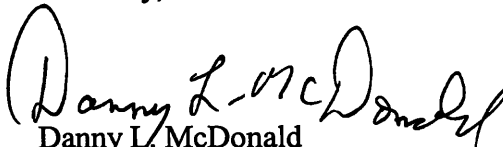
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

If you have any questions, please contact Roy Q. Luckett, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

  
Danny L. McDonald  
Chairman

Enclosures  
Designation of Counsel Form  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Gormley for Senate Primary Election Fund  
and Alan C. Staller, as treasurer

MUR: 5020

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Audrey Michael. *See* 2 U.S.C. § 437g(a)(1).

**II. FACTUAL AND LEGAL ANALYSIS**

**A. Complaint**

The complaint alleges that the Gormley for Senate Primary Election Fund (“Gormley Committee”), and Alan C. Staller, have violated the Act and the Commission’s regulations by receiving contributions from corporate executives that improperly solicited contributions from employees of their respective corporations. The complaint further alleges “in all cases, employees of these corporations were compelled by senior executives to give to the Gormley Committee in violation of the Federal Election Law prohibiting ‘bundling.’ ” Complainant refers to 2 U.S.C. § 441a(a)(8) and 11 C.F.R. § 110.6(b)(2), which provide that no individual may receive a contribution on behalf of a candidate for Federal office while acting as a representative of a corporation.

Regarding the bundling allegation, complainant asserts that each corporate entity, through certain executives, collected contribution checks from employees and presented the checks to Mr Gormley. Concerning Trump Hotels and Casino Resorts, Inc., complainant avers that the Trump Corporation held a fund-raiser to benefit William Gormley, a candidate for the U S Senate. In connection with this event, the complaint

adds "Mr. Mark Brown, Mr Lawrence Mullin, and Mr. Fred Burro contacted various employees of the Trump Corporation and solicited and received contributions from 32 employees for a total of \$28,800." The complaint also alleges "Mr. Brown collected these checks. The checks then were turned over to Mr. Donald Trump who presented them to Mr. Gormley."

### **B. Response**

On June 19, 2000, Alan Staller, Treasurer of the Gormley Committee, submitted a response disputing the complainant's assertion that pursuant to 2 U.S.C. § 441a(a)(8) and 11 C.F.R. § 110.6(b)(2) "no individual may receive a contribution on behalf of a candidate while acting as a representative of a corporation." Mr. Staller asserts that the statute places the burden of any related reporting on the "conduit" or "intermediary," not the committee. Mr. Staller also denies that the committee was ever aware of any "bundling" of contributions, or corporations facilitating the making of contributions by compelling employees to contribute to the Gormley Committee. To his knowledge, "such monies were properly raised, among other monies, for a candidate who has been supportive of the casino gaming industry in New Jersey."

### **C. Applicable Law**

Under the Act, no person shall make contributions to any candidate and his authorized committees regarding any election for Federal office, which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A) The Act also provides that a corporation may not make "a contribution or an expenditure in connection with any election for federal office " 2 U.S.C. § 441b(a). An officer or director of any corporation may not consent to any such contribution Id. As used in Section 441b, the term "contribution" includes any

direct or indirect payment, distribution, loan, advance, deposit or gift of money, or any services, or anything of value to any candidate, campaign committee, or political party or organization, in connection with a Federal election 2 U.S.C. § 441b(b)(2).

Additionally, it is unlawful for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section. 2 U.S.C. § 441b(a).

To effectuate this prohibition, corporations (including officers, directors or other representatives acting as agents of corporations) are prohibited from facilitating the making of contributions to candidates or political committees, other than to the separate segregated funds of the corporations. 11 C.F.R. § 114.2(f). "Facilitation means using corporate . . . resources or facilities to engage in fundraising activities in connection with any Federal election." *See also* 11 C.F.R. § 114.2(a)(2) (extending provisions of Section 114 of Title 11, Code of Federal Regulations, to activities of national banks in connection with Federal, state, and local elections).

Examples of facilitating the making of contributions include, but are not limited to, fundraising activities by corporations that involve:

- officials or employees of the corporation ordering or directing subordinates or support staff to plan, organize or carry out the fundraising project as a part of their work responsibilities using corporate resources, unless the corporation receives advance payment for the fair market value of such services;
- failure to reimburse a corporation within a commercially reasonable time for the use by persons, other than corporate shareholders or employees engaged in individual

volunteer activity, of corporate facilities described in 11 C.F.R. § 114.9(d) (i.e., facilities such as telephones, typewriters or office furniture);

- using a corporate list of customers, clients, vendors, or others not in the restricted class to solicit contributions in connection with a fund-raiser, unless the corporation receives advance payment for the fair market value of the list;
- using meeting rooms that are not customarily made available to clubs, civic or community organizations or other groups; or
- providing catering or other food services, unless the corporation receives advance payment for the fair market value of the services. 11 C.F.R. § 114.2(f)(2)(i). Other examples of prohibited facilitation include providing materials for the purpose of transmitting or delivering contributions, such as stamps, envelopes addressed to a candidate or political committee (other than the corporation's own separate segregated fund), or providing similar items which would assist in transmitting contributions, 11 C.F.R. § 114.2(f)(2)(ii), and collecting and forwarding contributions. *See. e g* MUR 3672.

Facilitation activities may also involve “[u]sing coercion, such as the threat of a detrimental job action, the threat of any other financial reprisal, or the threat of force, to urge any individual to make a contribution or engage in fundraising activities on behalf of a candidate or political committee” 11 C.F.R. § 114.2(f)(2)(iv)

Exceptions to the general prohibition against corporate facilitation of contributions include the “[s]oliciting of contributions to be sent directly to candidates if the solicitation is directed to the [corporation's] restricted class” 11 C.F.R. § 114.2(f)(4)(ii). Pursuant to 11 C.F.R. § 114.1(a)(2)(i), such a restricted class includes a

corporation's "stockholders and executive and administrative personnel and their families," with whom a corporation may communicate on any subject.

*See also* 11 C.F.R. § 114.3.

The cost of invitations, food and beverages is not a contribution where such items are voluntarily provided by an individual volunteering personal services on the individual's premises to a candidate for candidate – related activity to the extent that the aggregate value of such invitations, food, and beverage provided by the individual on behalf of the candidate does not exceed \$1,000 concerning any single election.

11 C.F.R. § 100.7(b)(6).

The sale of any food or beverage by a vendor (whether incorporated or not) for use in a candidate's campaign, or for use by a political committee of a political party, at a charge less than the normal or comparable commercial rate, is not a contribution, provided that the charge is at least equal to the cost of such food or beverage to the vendor, to the extent that: the aggregate value of such discount given by the vendor on behalf of any single candidate does not exceed \$1,000 regarding any single election.

11 C.F.R. § 100.7(b)(7).

Section 104.9(a) of the Commission's regulations provides that political committees shall report the full name and mailing address of each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year (or within the election cycle, in the case of an authorized committee) is made from the reporting political committee's federal account(s), together with the date, amount and purpose of such expenditure

## D. Analysis

### a. Donald Trump

Available information indicates there is reason to believe that the Gormley Committee violated 2 U.S.C. § 441a(f). Mr. Trump has asserted that he paid for all of the food, beverages, and invitations associated with the event with his personal funds, not through those of Trump Hotels and Casino Resorts, Inc. As mentioned above, 11 C.F.R. § 100.7(b)(6) provides that the cost of invitations, food and beverages is not a contribution where such items are voluntarily provided by an individual volunteering personal services on the individual's residential premises (as specified at 11 CFR § 100.7(b)(4)) to a candidate for candidate related activity. The regulations also provide that the aggregate value of such invitations, food and beverages provided by the individual on behalf of the candidate must not exceed \$1,000 with respect to any single election. The Gormley Committee's disclosure reports do not report that Trump made any contributions to the Gormley campaign. Thus, Mr. Trump avoids making an excessive in-kind contribution if the total cost of the invitations, food, and beverages for the fund-raiser at his residence does not exceed \$2,000: \$1,000 for the cost of the invitations, food, and beverages; and \$1,000 as an in-kind contribution for use in the 2000 Primary Election.

The information presented appears to suggest that it is likely that Mr. Trump's sponsorship for the function exceeded the \$2,000 threshold. It seems unlikely that Trump would expend only \$2,000 for an event that attracted at least 100 people, at that low estimate, Trump paid an average cost of \$20 per person for food, beverages and invitations.



As such, it appears the Gormley Committee violated 2 U.S.C. § 441a(f) by accepting an excessive in-kind contribution from Donald Trump. The total cost of the invitations, food, and beverages for the fund-raiser at the Trump residence appears to exceed the maximum allowable limit.

**b. Harrah's Entertainment, Inc.**

The information currently available, based on a review of news items, conduit reports, the complaint and responses, raises concerns that the Gormley Committee played a role in a uniform corporate effort by Harrah's to facilitate the making of contributions to the Gormley Committee in two respects. First, the information available suggests that executives, on behalf of Harrah's, established a uniform effort to obtain contribution checks from employees. Within this scenario, it appears that the corporation established:

- (1) the time period for collecting the contributions (the last two weeks in March 2000);
- (2) where the contributors would submit their checks (each manager's office suite); and
- (3) when the Gormley representative would pick up contribution checks (possibly March 29, 2000).

The striking similarities between the executives' mode of obtaining contributions appear to be more than mere coincidence. Second, the Gormley Committee may have been involved in the actual collecting and forwarding of the contributions by Harrah's executives.

The Harrah's executives' actions appear to demonstrate a uniform corporate effort on behalf of the Harrah's corporation to facilitate the making of contributions for the Gormley Committee based on three factors. First, the conduit reports filed appear to indicate that both executives limited the scope of obtaining contributions almost entirely to employees within Harrah's, either from Harrah's Eastern Operations Division, or

subsidiaries. A review of one executive's conduit report clearly shows that he only received contributions (seventeen in all) from employees of a subsidiary of Harrah's where he was employed as general manager. Regarding the other executive, all but one of the 53 contributions he collected for the Gormley campaign were attributable to Harrah's employees or subsidiaries.<sup>1</sup> Given that these executives collected 69 of 70 contributions from Harrah's employees or subsidiaries, it seems likely that their activities may have been corporate in nature.

It also appears that these executives' probable solicitation of contributions from the 69 employees of Harrah's Entertainment Inc. or its subsidiaries may not fall within the restricted class. The following managers listed in one executive's conduit report may supervise non-salary employees: William Ambrosio (Games Shift Manager); Michael Booker (Slot Shift Manager); Christine Boxer (Slot Shift); Anthony Ciallella (Games Shift); Glen Cunningham (Games Shift); Kimberly Grahsler (Volume Restaurant); Mark Kashuda (Slot Shift); Paul Merrick (Stage); John Ranere (Credit); Charlie Sanderson (Slot Performance); and Mark Starrett (Player Services). Additionally, Ross O'Hanley, who is employed as the President's Associate, may or may not have the requisite supervisory responsibilities to be part of the restricted class, and George Ashman, a manager listed in the other executive's conduit report, may supervise non-salary employees, which does not satisfy the restricted class criteria outlined in

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<sup>1</sup> Jonas received 47 contributions from employees of Marina Associates, five (5) from employees of Harrah's Eastern Operations Division, and one (1) from an employee of Tropicana Casino and Entertainment Resort. Although the Jonas conduit report discloses Louis Paludi's occupation as a self-employed consultant, this Office has included him among the Harrah's Eastern Operations Division contributors given that the Gormley Committee's 2000 April Quarterly Report identifies him as a Harrah's executive.

11 C.F.R. §§ 114.1(b)(1) and (2), the conduit report strictly acknowledges him as a manager, but does not elaborate as to type.<sup>2</sup>

Second, the manner in which the executives collected these contributions also seem to indicate an overall corporate facilitation effort. Their actions appear to be part of a plan where they directed employees to deliver contribution checks to their respective office suites within the last two weeks of March 2000. In fact, one executive has stated "many of the listed contributors delivered their checks to his office suite during the last two weeks of March 2000." He adds that only a few of the contributors delivered their checks directly to the Gormley Committee. The other executive's statement describes the same pattern, with one exception. Instead of receiving most of the contributions listed in his conduit report, this executive states that all 53 contributions were delivered to his office suite, noting "[a]s a matter of convenience, during the last two weeks of March 2000, the contributors delivered their contribution checks to [his] office suite."

Finally, these activities appear to demonstrate a plan within Harrah's corporate structure of forwarding the contributions to the Gormley Committee. Both executives note that a representative of the Gormley Committee picked up the checks at the end of March 2000; one executive states that the representative picked up the checks on March 29, 2000, while another executive avers that the pick-up for his collected contributions occurred on or about March 30, 2000. The fact that both executives forwarded their collected contribution checks to the Gormley Committee during the same time period may suggest an organized effort on Harrah's part to facilitate the making of

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<sup>2</sup> The Gormley Committee's April Quarterly Report does not specify as to what type of manager George Ashman serves for the company

contributions for the benefit of the Gormley campaign by setting a time period for the pick-up of contribution checks.

Based on the information above, it appears that the Gormley Committee played a significant role in obtaining contributions through prohibited corporate activity. It appears that the Gormley Committee may have enlisted the aide of corporate executives acting on behalf of their respective corporate entities to collect and forward contributions from Harrah's executive and non-executive employees. In addition, the available information suggests that the Gormley Committee played an instrumental role in establishing a time to pick up the contributions at the executives' office suites (on or about March 30, 2000).

**c. Le Cirque Bellagio Fund-Raiser**

Based on a review of news items, the complaint and responses, there is reason to believe that the Gormley Committee both accepted prohibited corporate contributions and engaged in corporate facilitation in connection with the March 21, 2000 Bellagio fund-raiser based on the following considerations.

- The Gormley Committee may have received a benefit from the use of Mirage corporate resources in collecting and forwarding contribution checks to the Gormley Committee
- Press Reports also suggest that more people may have attended the Bellagio fund-raiser than implied in information originally discerned by the Commission. The number of persons in attendance is important as it may show that the Gormley Committee paid for the event at a rate lower than the normal course of business

- The information presented, though limited, appears to indicate that the Gormley Committee obtained a corporate resource in the form of a list of vendors for purposes of the Bellagio fund-raiser without compensating Mirage.

By explaining how the Gormley Committee received contributions from Mirage employees, the available information raises questions about possible corporate facilitation. In its response, the Gormley Committee did not address the Bellagio fund-raiser. The available information appears to suggest that the Bellagio fund-raiser did not take place in Atlantic City, New Jersey. Instead, it seems that the Bellagio fund-raiser took place at a Mirage owned restaurant in the Bellagio Casino Resort in Las Vegas, Nevada, thousands of miles away. In addition, the "single fund-raising event" included several Mirage executives and other individuals; supplemental information has confirmed that nine of the eleven Mirage employees listed in the complaint attended the event.

#### **1. Use of Corporate Resources to Collect and Forward Contributions**

The Gormley Committee's reports raise concerns about possible corporate facilitation because they do not show any apparent travel expenses incurred by Gormley in attending the event. A May 15, 2000 New York Times article<sup>3</sup> makes the charge that "State Senator William L. Gormley . . . slipped away from the campaign trail . . . for an unpublicized visit to Las Vegas " Furthermore, the article reports "[t]here to greet Mr Gormley at the Le Cirque restaurant, Steve Wynn's sumptuous new fun house, was the gambling magnate himself " The article also reports that Wynn was involved in the planning of the event, noting "Mr Wynn had gathered casino executives for a fund-raiser

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<sup>3</sup> *New York Times*, "Casinos put Money in Race in New Jersey " May 15, 2000

that collected about \$40,000 in donations for Gormley, who in recent years has championed an effort by New Jersey to spend more than \$200 million to subsidize the opening of a Wynn casino in Atlantic City.” The available information has not confirmed whether Gormley attended.

It would seem likely that Gormley would incur expenses through travel from Atlantic City to Las Vegas, Nevada. At a minimum, he would incur airline fare and transportation charges from the airport to the Bellagio Hotel.

Nevertheless, the Gormley Committee’s April Quarterly and June Quarterly reports show no payments or debts to airlines, no reimbursements or debt of any sort to Gormley, and no payments or debts to credit card companies. Indeed, the only reported travel disbursement of more than \$200 is a \$349 reimbursement for travel and lodging expenses to a committee staff person on April 19, 2000.

The scarcity of reimbursement information in the Gormley Committee’s disclosure reports regarding travel expenses incurred due to the Bellagio fund-raiser can be explained in two ways, and both of these scenarios may indicate prohibited corporate activity. First, the *New York Times* article may have been in error and neither Gormley nor aides may have been present at the event. However, given the number of Mirage executives contributing and the reports of Wynn’s personal involvement, such an outcome would likely indicate that, at a minimum, corporate resources were used to collect and forward checks for the benefit of the Gormley Committee

Another possible explanation is that Gormley and/or aides did in fact attend the fund-raiser, but did not report the travel expenses incurred for the Las Vegas trip. Such mis-reporting violates § 2 U.S.C. 434(b)

## 2. Gormley Committee may have paid a Fee lower than the Fair Market Value

Given the luxury status surrounding the Le Cirque restaurant at the Bellagio, it appears possible that the cost of holding a fund-raising function at the restaurant may have exceeded the amount apparently paid by the Gormley committee, thereby potentially resulting in the Gormley Committee receiving a prohibited in-kind contribution, even after accounting for permissible food and beverage discounts. The Gormley Committee's Amended April Quarterly Report discloses that on February 17, 2000 it paid \$1,718.51 in event costs to the Bellagio. Press reports have touted the Bellagio, which opened in October 1998 at a cost of \$1.6 billion,<sup>4</sup> as one of the most luxurious casino resorts in the world. The May 15, 2001 New York Times article states that the fund-raiser took place at the Le Cirque restaurant in the Bellagio.

According to the Le Cirque Bellagio's website, there are a number of pricing options for private parties. First, there is a charge for the use of the private room, which varies from \$500 to \$1,000.<sup>5</sup> Second, there is an additional charge for the food at the party, which depends on the type of meal served. If the event is a dinner party, for example, the charge is between \$80 to \$170 per person with an additional 20% service charge and 7.25% for tax.

<sup>4</sup> In an October 8, 1998 *Las Vegas Sun* article, Warren Marr, gaming consultant for PriceWaterhouseCooper, declared the Bellagio the most expensive hotel ever built.

<sup>5</sup> According to the Le Cirque website ([www.lecirque.com](http://www.lecirque.com)), three private rooms are available, ranging from \$500 to \$1,000. First, at a charge of \$500, the Saltimbanco room seats 25 to 50 patrons for either lunch or dinner, or it can hold 60 persons for a cocktail reception. Second, the Circo Private Room seats 25 to 30 patrons for either lunch or dinner at a charge of \$700. Alternatively, the Circo Private Room can hold 40 persons for a cocktail reception. Finally, at a charge of \$1,000, the Le Cirque room can hold 40 - 80 persons for lunch.

As noted above, 11 C.F.R. § 100.7(b)(7) provides that a vendor is privileged to sell food and beverages at a discount so long as: (1) the difference between the discount price and the vendor's usual and normal charge does not exceed \$1,000 per candidate, per election, and (2) the discount price is no lower than the vendor's cost. Depending on the number of persons attending, the nature of the food and beverage provided, the time of day of the event, and the particular private room used, it appears that the difference between the discount price and the usual and normal charge would have exceeded \$1,000. If, for example, 25 persons were present and the type of meal service was dinner (costing between \$80 and \$170) at the Circo private room, which charges \$700 for the use of the room, the result is a prohibited contribution irrespective of 11 C.F.R. § 100.7(b)(7); the attendance of 25 persons at the Bellagio fund-raiser is a reasonable speculation based on the *New York Times* account indicating that more contributions were generated by the fund-raiser than originally discerned by the Commission, and/or by the possible attendance of senior Gormley staff.

Section 100.7(b)(7) applies only to the sale of food and beverages. As such, the Bellagio could not offer a discount on the charge of the room. As noted in the above example, the charge for the use of the Circo private room is \$700. For purposes of this scenario, given that the room charge is not applicable to 11 C.F.R. § 100.7(b)(7), the \$700 Circo private room charge reduces the total amount that the Gormley Committee paid for the meal portion of the event to \$1,018.51, the total amount that the Gormley Committee paid for the event (\$1,718.51) less \$700. Thus, for purposes of 11 C.F.R. § 100.7(b)(7), Mirage could charge the Gormley Committee \$1,018.51 for the food and



beverage portion of the event only if the difference between the discount price (\$1,018.51) and the usual and normal charge does not exceed \$1,000.

If dinner was the meal service provided, applying the lowest charge applicable would still amount to a prohibited in-kind contribution. If the meal per person charge was \$80 (out of a possible \$170), and the appropriate service charges and tax (20% and 7.25% respectively) are added, the usual and normal charge would be \$2,550. Such an amount represents a \$1,531 difference between the normal business charge for food (\$2,550) and the charge at least equal to cost (\$1,018.51). Hence, the Gormley Committee would have accepted a prohibited contribution of at least \$531, in violation of 2 U.S.C. § 441b(a). While it is possible that fewer people attended, which might result in no contribution, it is also possible that more attended – or that the meal served was not the least expensive available. Either factor could substantially increase the amount of the potential corporate contribution.

### **3. The use of a Mirage Corporate List without Compensation<sup>7</sup>**

Finally, the information currently available appears to suggest that regardless of who organized the Bellagio fund-raiser, it is likely that they would have needed to utilize the corporate resources of Mirage Casino Resorts to devise a list of individuals to invite. The Gormley Committee's April Quarterly Report confirms the nine individuals mentioned in the July 6, 2000 response as Mirage executives. Of these executives, David Weissman, listed in the report as an executive of Mirage Atlantic City, appears to be the lone non-Nevada resident in attendance, Weissman made two \$1,000 contributions to the Gormley Committee

It seems likely that the Nevada residents listed in the Gormley Committee's April Quarterly Report as having made contributions to the Gormley Committee on March 21, 2000 also attended the fund-raiser at the Mirage Bellagio. The Gormley Committee reported receiving \$24,000 from 15 Nevada residents on March 21, 2000. The Gormley Committee reported thirteen of these 15 as Mirage employees and their spouses.<sup>6</sup>

The two other Nevada residents that made contributions on March 21, 2000 appear to either qualify as vendors, clients, or customers with ties to Mirage Casino Resorts. While the April Quarterly Report classifies Mark Tratos as a "self-employed" attorney, press accounts report that Tratos has represented Mirage in a lawsuit involving a trademark dispute.<sup>7</sup> Regarding the second Nevada resident, Charles Mathewson, while the Gormley April Quarterly vaguely describes his occupation as a Vice President for the employer "Public Affairs Affairs," this Office has discovered that Mr. Mathewson is the Chairman of International Game Technology ("IGT"), a gaming manufacturer known for making spinning-reel slot machines, video gaming machines, and MegaJackpot progressive slot systems for legal gaming jurisdictions worldwide. Both individuals made two \$1,000 contributions, one for the 2000 Primary Election, and one for the 2000 General Election.

Hence, based on currently available information, coupled with the Gormley Committee's disclosure reports, it appears that (1) there were at least 16 contributors in attendance at the March 21, 2000 Bellagio fund-raiser, (2) the event raised at least

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<sup>6</sup> In addition to the eight Mirage employees and three spouses, this number also includes two executives from Mirage subsidiaries William McBeath, president of Treasure Island, and Robert Sheldon, president of Golden Nugget Las Vegas

\$26,000 for the Gormley campaign; and (3) the event consisted entirely of Mirage executives, their spouses, and vendors, customers, or clients associated with the corporation.

As noted above, however, it appears that the actual number of contributions and attendees may have been higher. The aforementioned New York Times article estimates the amount of contributions received at the Bellagio event (\$40,000) much higher amount than reported in the Gormley Committee disclosure reports (approximately \$26,000). This could mean that more than 16 people attended the Bellagio fund-raiser. The Gormley April Quarterly reports discloses at least 24 other individuals that made contributions on or about March 21, 2000. While none of those individuals are residents of Nevada, there are a number of employees from business fields (construction) that may have ties to Mirage regarding its future business endeavor in Atlantic City.

Given this information, it appears essential for the individual(s) responsible for organizing the event to contact business associates through the use of a Mirage corporate list of vendors, client, or customers tied to the corporation. As noted above, under 11 C.F.R. § 114.2(f)(C), using a corporate list to solicit contributions in connection with a fund-raiser is one example of corporate facilitation, unless the corporation receives advance payment for the fair market value of the list

Based on these considerations, it appears that the Gormley Committee may have accepted prohibited contributions in three ways. First, it appears that the Gormley Committee relied on corporate resources to collect and forward contributions from the Bellagio fund-raiser in Las Vegas for the New Jersey Senate race. Second, the Gormley

Committee may have received an improper discount for the expenses incurred for the Bellagio event. Finally, the committee may have received access to a corporate list of vendors, clients, and/or customers for invitation purposes without compensating the corporation.

### **III. CONCLUSION**

Accordingly, there is reason to believe that the Gormley for Senate Primary Election Fund and Alan C. Staller, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), and 441b.